Development of Tourism

4696. SHRI SOLIPETA RAMACHANDRA REDDY:
DR. Y. LAKSHMI PRASAD:

Will the Minister of TOURISM be pleased to state:

(a) whether Hotel & Restaurant Associations of India at their annual convention held at Kathmandu on September 17 to 19, 1999 expressed anguish at the slow growth of tourism in the country;

(b) if so, the suggestions put forth by them; and

(c) the action taken to implement them to boost tourism?

THE MINISTER OF TOURISM AND MINISTER OF CULTURE (SHRI ANANTH KUMAR): (a) to (c) Yes Sir. The suggestions put forth by them include adoption of Open Sky Policy for liberalization of international flights to India & for rationalization/ reduction of tax structure in the hotels & restaurants.

The recommendations have been brought to the notice of the concerned Ministries and Departments of the Centre/State Government/U.T's.

Handing Over of ITDC Hotels to Private Sector

4697. SHRI R.S. GAVAI: Will the Minister of TOURISM be pleased to state:

(a) whether the recent survey shows drop in hotel occupancy rate for third year in succession;

(b) if so, the reasons therefor;

(c) whether the ITDC proposes to sell some of its hotels to private sector;

(d) if so, the details thereof; and

(e) the response received from private sector in this matter?

THE MINISTER OF TOURISM AND MINISTER OF CULTURE (SHRI ANANTH KUMAR); (a) As per an article published in Federation of Hotels & Restaurant Association of india

(FHRAI) magazine and newsletter of March, 2000, average occupancy in Indian hotels has declined during the last three years.

(b) This is due to decline in business tourist traffic, devaluation of currency of Far East Asian Countries making them cheaper destinations, shifting of CIS business to China, Bangkok, etc.

(c) to (e) The Government has accepted the recommendations of Disinvestment Commission in regard to disinvestment in ITDC. So far hotel operations of ITDC are concerned, the main recommendations of the Commission are as under:—

(i) Hotels situated in prime locations like Delhi and Bangalore may be handed over to established hotel chains through a competitive bidding process to be run on a long term structured contract on lease-cum-management basis.

(ii) Other hotels may be de-merged into separate corporate identities and the disinvestment in the new companies will be through sale of 100% Government shareholding in them.

Revitalisation of Hotel Industry

4698. DR. C. NARAYANA REDDY: Will the Minister of TOURISM be pleased to state:

(a) whether it is a fact that the performance of the ITDC, from the hotel industry point of view, during the recent years has not been encouraging;

(b) if so, the reasons therefor; and

(c) what steps have been taken by Government in this regard?

THE MINISTER OF TOURISM AND MINISTER OF CULTURE (SHRI ANANTH KUMAR): (a) and (b) The performance of ITDC hotels has shown a declining trend which is attributed, inter alia, to:—

- Recession in hotel industry.
- Low turn-out of business travellers.
- Currency crises in South-East Asian countries making them cheaper destination.